

Get The Facts: New Jersey's Rising Energy Costs

Toplines

- In February 2025, the New Jersey Board of Public Utilities [announced](#) that New Jersey residents could expect an average increase of \$20 to their electric bills beginning June 1, 2025. Most residents were expected to see bills rise from [17 to 20 percent](#).
- The [main culprit](#) for these rising bills is PJM Interconnection (PJM), the regional transmission organization that's responsible for [maintaining](#) the reliability and security of the transmission lines that move electrons from power plants in New Jersey and 12 other states across the eastern U.S.
- In June 2024, PJM hosted its capacity auction for the 2025 energy year, which starts June 1, and saw power producers secure a record high rate of [\\$270](#) per megawatt (MW) day, a nine-time increase from previous year's auction.
 - That price was [passed to consumers](#) across the interconnection's service area, with [two-thirds](#) of the expected price hikes in New Jersey directly caused by PJM.
- New Jersey Republicans have seized price hikes as an excuse to [attack clean energy](#) instead of advocating for reforms to PJM's process of approving new generation facilities and thus lowering prices for consumers.
- Despite clean energy sources being [cheaper](#) and [faster](#) to deploy than natural gas-fired power plants, New Jersey Republicans are repeatedly [calling](#) for expanded fossil fuel generation that wouldn't be permitted [until 2030](#) and lock in higher energy costs for New Jersey families.

Background: New Jersey Energy Prices Are Rising Because Of High Interconnection Prices

The Claim: PJM blamed price hikes on insufficient in-state energy generation and New Jersey's focus on offshore wind.

- April 2025: PJM Interconnection [blamed](#) price hikes on "insufficient generation in-state" and denied any market manipulation during the July 2024 auction. PJM also blamed Governor Murphy's focus on offshore wind projects for energy supply issues, saying "consumers are now paying the price for this failure."
- March 2025: PJM [claimed](#) it had done "everything within our power to assist in New Jersey's offshore wind efforts."

- March 2025: PJM Spokesperson Jeffrey Shields [blamed](#) initiatives such as phasing out fossil-fuel powered plants and other decarbonization projects for reducing the amount of electricity available.

The Truth: PJM is responsible for the utility price hike in New Jersey.

- [Two-thirds](#) of the projected energy bill hikes are caused by federally regulated entities, like PJM, according to the Director of the New Jersey Division of Rate Counsel, which represents the interests of ratepayers before the New Jersey Board of Public Utilities.

The Truth: PJM capacity prices are driving rate hikes.

- PJM's auction for its 2025 capacity year, which starts on June 1, 2025, [hit a record high](#) of \$14.7 billion, a \$2.2 billion increase from the last auction. That price was expected to be [passed to consumers](#) across the interconnection.
 - In New Jersey, the PJM market was [nine times higher](#) than the sale for the 2024 energy year, reaching \$270 per megawatt day.
 - According to the Director of the New Jersey Division of Rate Counsel, which represents the interests of ratepayers before the New Jersey Board of Public Utilities, an independent market monitor found that record-high prices were not due to growing demand but to [PJM rules](#) that do not require all generators to bid in the auction.
 - Gas-powered generation accounted for [48 percent](#) of the approved capacity, followed by nuclear at 21 percent, coal at 18 percent, peaker plants at 5 percent, hydroelectric at 4 percent, and solar and wind at 1 percent each.
 - At the end of 2023, PJM had [3,309 projects](#), mostly solar and battery storage, waiting for approval to sell power to the electric grid and help lower prices.
- In response, the New Jersey Board of Public Utilities announced it would raise residential utility electricity bills by [up to 20 percent](#) to meet the higher prices of the capacity auction.

The Truth: The New Jersey Board of Public Utilities agreed that rate hikes were caused by PJM's market rules and increased energy demand.

- March 2025: New Jersey Board of Public Utilities President Christine Guhl-Sadovy [blamed](#) utility rate hikes on increased demand from AI data centers in other states on PJM's grid, as well as PJM's market rules, which excluded some plants from earlier capacity auctions.

New Jersey Republicans Falsely Claimed Wind And Solar Were Responsible For Rising Energy Costs

Republicans Falsely Blamed Clean Energy Resources For Rising Costs

The Claim: New Jersey Republicans claimed offshore wind was increasing energy bills in the state.

- April 2025: In an Op-Ed, Robin Shaffer, President of Protect Our Coast NJ, an anti-offshore wind group, [criticized](#) Governor Murphy for spending \$2 billion on offshore wind as “nothing more than virtue signaling about climate change,” and claimed “taxpayers paid for expensive advertising and propaganda” on offshore wind.
- April 2025: Ciattarelli [blamed](#) the “offshore wind farm boondoggle” and “electric vehicle mandates” for an “energy crisis” that caused prices to increase.
- March 2025: Republicans [criticized](#) the BPU and Governor Murphy for the administration’s focus on offshore wind, which they claimed resulted in dead or delayed projects, with no new power for the state.
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The Truth: Offshore wind would lower energy bills in New Jersey.

- A study from PJM found that offshore wind energy, including the required transmission upgrades, would [lower energy costs](#) in New Jersey because of the lower cost of renewable generation.
- Developing offshore wind saves Americans money. Proposed and under-development offshore wind farms in the Atlantic and Gulf coasts are projected to decrease electricity bills by [\\$2.8 billion](#), or \$19 per megawatt hour of electricity generated from offshore wind.
- Offshore wind in New Jersey was expected to lower natural gas prices by [17 percent](#).
- Atlantic Shores was anticipated to only add [\\$2.21 per month](#) to residential customer rates.
- Offshore wind’s [average cost of power production](#) across its lifetime was cheaper than the average cost of power production for a gas peaker plant.

The Claim: New Jersey Republicans asserted Gov. Murphy’s goal of zero carbon emissions was responsible for energy price hikes.

- May 2025: Assemblywoman Dawn Fantasia [accused](#) Governor Murphy and Democrats’ of pushing a “Zero Carbon’ agenda” that led to “skyrocketing energy

bills.” Fantasia said Democrats’ “myopic obsession with full electrification” gutted reliable energy production and created a supply-demand disaster.

- April 2025: New Jersey State Senate Republican Leader Anthony Bucco [blamed](#) Governor Murphy’s energy policies for supply-demand imbalances, which Bucco claimed caused electricity prices to rise rather than market manipulation.
- January 2020: Ciattarelli [called](#) Governor Murphy’s energy plan a “Green New Deal” that wasn’t based on “any thorough economic analysis,” and claimed it would drive up costs on families, retirees, and small businesses.
- April 2025: New Jersey Senate Republicans [blamed](#) Democrats’ “progressive energy policies” for hiking energy bills by 20 percent rather than PJM.
- April 2025: Ciattarelli [said](#) New Jersey Democrats were to blame for embracing Governor Murphy’s “disastrous energy policies” and said he would “hold them all accountable for it [...] starting by cleaning house at NJ BPU.” Ciattarelli said he would call for their resignation on day one if he was elected.

The Truth: New Jersey’s carbon-free electricity plan would lower costs for customers.

- According to a study from Princeton University, New Jersey could transition to [100 percent carbon-free electricity](#) while maintaining reliability and lowering bulk electricity supply costs by up to 25 percent compared to 2019.
 - The study assumed an [85 percent increase](#) in peak demand.

Republicans Incorrectly Claimed Natural Gas Generation Would Lower New Jersey Energy Bills

The Claim: New Jersey Republicans claimed solar and wind power couldn’t be deployed quickly enough to meet demand.

- April 2025: Bucco [claimed](#) solar and wind plans would not be implemented quickly enough, and would not meet demand. Bucco claimed that Governor Murphy’s energy plan forced New Jersey to rely on the grid, driving prices higher and forcing New Jersey to buy energy from the “dirtiest sources in the region.”

The Facts: Renewable energy is faster to deploy than fossil fuels.

- Solar and wind energy are being [deployed](#) about five times faster than all other energy sources combined.
- According to the [World Resources Institute](#), solar and onshore wind farms typically take less than two years to build, while gas-fired power plants can take four years to become operational, and can also require the construction of additional pipeline infrastructure.
 - Solar farms generally take [8 to 18 months](#) to complete and wind farms can be built in [6 to 9 months](#).

The Facts: PJM’s slow interconnection queue, which is overwhelmingly filled with renewable energy projects, means constructing new gas resources won’t lower costs.

- As of January 2025, PJM’s interconnection queue [included](#) 79 GW of solar, 37 GW of energy storage, 23 GW of wind, and only 4 GW of gas.
- Even if gas were a cost-effective option, most new generation projects currently under development are unlikely to come online [before 2030](#) because of PJM’s interconnection delays.
 - PJM has the [longest backlog](#) of energy projects, both renewable and fossil fuel resources, with energy projects waiting for years for approval to deliver power to the electricity grid.
- PJM recently approved the addition of [50 large nuclear and gas projects](#) to the grid, despite those projects facing longer permitting delays and supply shortages.
 - PJM also [favored](#) project size over completion date, meaning that the newly approved resources won’t be completed in time to address high power prices.

The Claim: New Jersey Republicans claimed increasing gas production would lower energy bills.

- March 2025: Bucco [blamed](#) Governor Murphy’s focus on clean energy for an increased demand on electric supply that caused New Jersey to have to buy on the grid. Bucco suggested that New Jersey increase its use of nuclear and natural gas.
- April 2025: Bucco [said](#) Democrats’ blame on PJM for rising energy costs was “misled” and that the “real issue” was the Murphy administration’s energy policies. Bucco said investors would not commit to “traditional energy solutions” due to hostile permitting and “unrealistic mandates for full electrification by 2035.”

The Truth: Gas reliance would only increase energy bills while lowering reliability.

- Developing new gas plants in PJM would drive a [30 percent](#) increase in energy prices by 2050 because of increased LNG exports, further exacerbating New Jersey’s energy price crisis.
- The transition to clean energy will [reduce](#) U.S. electricity prices by 20 to 80 percent by 2040.
- The cheapest source of fossil fuel generation has a levelized cost of electricity that is [twice as high](#) as the levelized cost of electricity for utility-scale solar.

New Jersey Democrats Pushed For Policies To Lower Energy Costs

Governor Murphy and State Democrats called for investigations into PJM for market manipulation.

- April 2025: Governor Murphy [asked](#) federal officials to investigate whether New Jersey’s electric grid operator, PJM Interconnection, was responsible for planned utility rate increases, citing an electricity auction that may have been “subject to market manipulation.”
 - PJM held a rate-setting capacity auction in July 2024, which New Jersey’s Board of Public Utilities [blamed](#) as the “main driver” of rate increases.
- March 2025: State Senator John Burzichelli [introduced](#) a resolution calling on the Board of Public Utilities to investigate PJM’s pricing model and make reforms to reduce prices.

State Democrats accused PJM of working against the state’s goal of creating clean, affordable energy.

- March 2025: Democratic lawmakers, including Assembly Speaker Craig Coughlin and Majority Leader Lou Greenwald, [accused](#) PJM of favoring fossil fuels to the detriment of New Jersey’s energy goals, saying PJM “consistently worked against our agenda to create clean, affordable energy” and “consistently placed profits to dirty out-of-state energy producers ahead of the cost to the people of New Jersey.”

Environmental groups also criticized PJM for slow-walking clean energy development.

- March 2025: Environment New Jersey State Director Doug O’Malley [called](#) the process of getting more energy onto PJM’s grid as “a slow moving train wreck,” and said PJM was “failing to meet the moment.”
 - O’Malley [claimed](#) proposals had been submitted to PJM that would generate over 150,000 MW of electricity for the grid, enough to supply 125 million homes, but only one project based in Maryland had come online.